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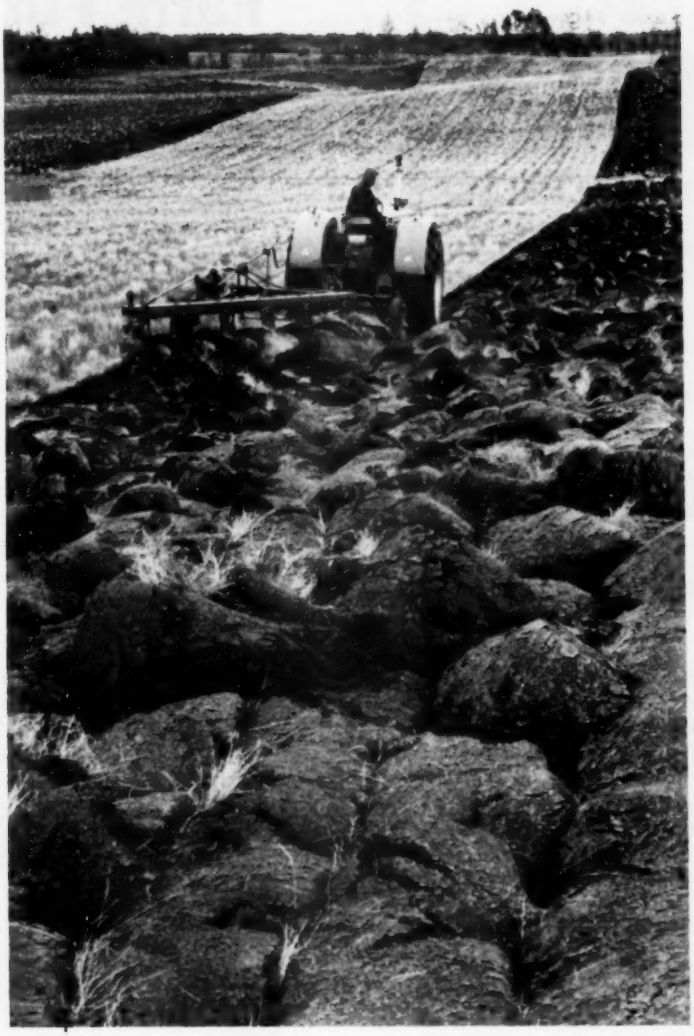

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Canada Looks To Its Farm Future

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The future of Canada's diverse agriculture—represented here by an Alberta cattle herd and a British Columbian plowing his field—was reviewed recently by Canadian farmers and government officials. See story beginning this page.

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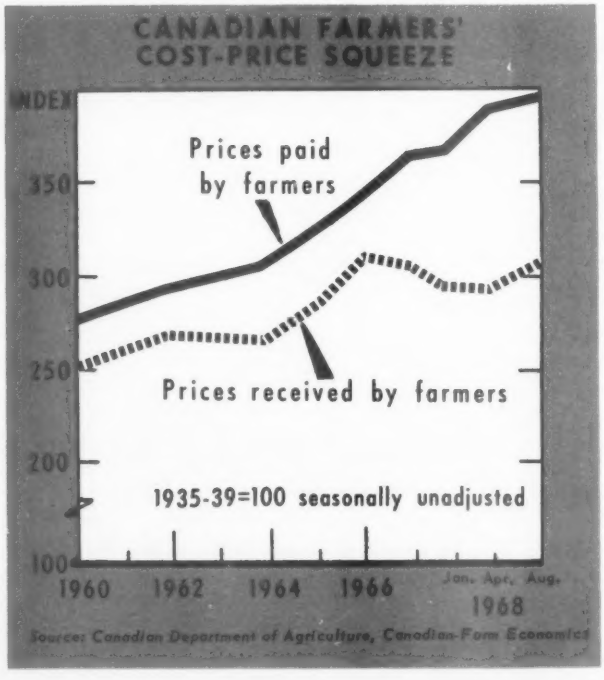
CANADA Looks to Its Farm Future

In Ottawa last month, the country's agricultural leaders met at a government-sponsored conference to consider the course of the farm industry over the next 10 years.

By EUGENE T. OLSON
U.S. Agricultural Attaché, Ottawa

A who's who of Canadian agriculture—over 500 farm leaders, government officials, and agribusiness representatives—participated in the Canadian Agriculture Congress in Ottawa, March 24-27, at the request of the government.

At the conference's opening session Minister of Agriculture H. A. Olson told the delegates that, "It is the first time in more than 35 years that the leaders of all sectors of the industry have gathered in the same room for a common purpose." He asked the delegates to take a realistic, practical, long-term look at Canada's farm future and help chart agricultural policy for the next decade.



As the Congress progressed it was obvious that considerations for the future were heavily predicated on present problems, a major one being the tightening cost-price squeeze on farmers.

The Congress had its beginnings on October 10, 1967, when a Federal Task Force on Agriculture to the Minister of Agriculture was appointed and asked to prepare basic background papers for the 1969 Congress. Titles of the studies by the Task Force under the leadership of Dr. David MacFarlane of MacDonald College, Montreal, are indicative of the scope of the considerations of the Congress: (1) Economic Goals for Agriculture; (2) The Role of Government in Agriculture; (3) Supply Management and National Marketing Boards; (4) Credit; (5) Low-Income Agriculture; (6) Wheat, Feedgrains, and Oilseeds; (7) Livestock and Poultry; (8) Dairy; and (9) Fruits and Vegetables.

In addition, the Royal Commission on Farm Machinery prepared three papers for the Congress, entitled: Technological Changes in Farm Machinery and Canadian Agriculture; Farm Machinery Costs and Productivity; and Farm Tractor Prices in Canada Compared With Those in England and Other Countries.

Eleven major problems

In addition to the dozen papers named above, all of which were considered by the Congress, the Task Force also prepared a report to the Minister of Agriculture this past February that outlined 11 major problems confronting agriculture in Canada.

- First and most critical problem suggested by the Task Force was low net income. Some 300,000 farm families, coast to coast, were described as "suffering inordinately low incomes" with "half or more below any defined poverty line." Even large, efficiently managed commercial farms were mentioned as "yielding very low labor and/or capital returns."
- A second and related problem raised was the prevalence of small, nonviable farms. More than one-third of the farms had gross sales of less than C$2,500 [1] in 1965 and only 22 percent had gross sales of C$10,000 or more; in 1966 there were 430,522 farms in Canada.
- Third problem presented was the regional disparity in agricultural income; for example, the net farm income of farm families in the Atlantic Provinces in 1966 averaged about one-half that in Ontario and about 40 percent that in the Prairie Provinces.
- A fourth problem pointed out by the Task Force was the income instability from year to year directly related to yield and price fluctuations. Yields of wheat, for example, have varied from 10.6 to 27.7 bushels per acre over the past 10 years. Net income per farm family may change sharply from one year to the next, in the Prairie Provinces as much as 50 percent in a single year.
- A fifth problem outlined was the cost-price squeeze on the Canadian farmer. Dominion Bureau of Statistics data show that prices paid by farmers from 1949 to August 1968 increased 79 percent while prices received by farmers increased only 21 percent.
- The next three problems cited by the Task Force were: deficient techniques of marketing; inadequacies in agricultural research; and the general decline of rural communities.
- The final three problems highlighted by the Task Force dealt with fluctuations in Canada's agricultural exports, especially of cereals; accumulation of surplus farm products, particularly wheat, in Canada; and the low level of education among farm people. In the discussion of the last-mentioned problem, the Task Force cited the 1961 census indication that 70 percent of farm operators had a formal education of eighth grade or lower.

[1] 1 Canadian dollar = about US 93 cents.

Agriculture in the Canadian economy

The Task Force lauded the contribution of agriculture to Canada's economy, pointing out that Canadian housewives get a bargain in the abundance, variety, and convenience of foods at low cost relative to city family income. (A 1968 figure indicates that expenditures on food account for 23 percent of the income in the hands of households and individuals after taxes.) Other contributions of agriculture to Canada's economic development listed were:

- Releasing large numbers of workers to nonfarm industries.
- Providing an expanding market for products of manufacturing industries.
- Contributing significantly to foreign exchange earnings with farm product exports; in recent years this contribution has ranged from C$1.2 billion to C$2.0 billion.
- Assisting the economic development of other countries.

While the Task Force report detailed some somber problems, it also mentioned some future opportunities for agriculture. It stated, for example, that the real national income was expected to double by 1980, and this would result in substantial shifts in consumption patterns of the population. Accordingly, a 50-percent increase in total meat consumption and a 75-percent increase in poultry consumption was predicted, with obvious impact on those sectors of agriculture.

The Task Force also pointed out that an estimated 15 to 20 percent of Canadian farmers are making incomes comparable to incomes of their city counterparts. The challenge, it indicated, was to increase this percent by providing better education and management skills, more credit, development and improvement of breeds and varieties, and consistent farm policies.

Views expressed at the Congress

While the papers that the Congress received from the Task Force and the farm machinery commission did not offer specific solutions to all the major farm problems, they did offer various solution options or program alternatives to the participants to consider, debate, and recommend.

During the plenary sessions and workshops that made up the program of the Congress various views were expressed by farm organizations and commodity groups concerning the problems and the proposals.

The Dairy Farmers of Canada and the Canadian Federation of Agriculture (CFA) were opposed to immediate withdrawal of government assistance; they stated such action would be economically and socially disruptive to the dairy industry.

The National Farmers Union was opposed to unemployment as a means to attain reasonable stability of prices. The CFA also stressed the need for government to pursue policies that take into account both the social and economic problems of farm people and their aspirations.

The Canadian Swine Council and the CFA suggested that the government should have more consultation with producers

in developing Canadian agricultural policy, particularly regarding swine programs. Livestock and poultry representatives called for: Market research in the industry; university and government interchange; removal of the live-cattle tariff between the United States and Canada; and removal of grain surpluses.

Delegates in the fruit and vegetable industry disagreed with proposals that protection should be slowly withdrawn except in cases of distress selling, advocating that seasonal tariffs should be maintained.

Proposals that more feedgrains should be produced in the Prairie Provinces met with general agreement, but some livestock producer delegates cautioned against overexpansion of either feedgrains or livestock.

There was considerable support for subsidization of credit in the workshop discussions, particularly for long-term credit intended to establish a man in farming or to help low-income farmers enlarge to the commercial level. The workshop devoted to the low-income sector in Canadian agriculture was of the opinion that the Canada Department of Agriculture, in cooperation with other federal agencies, should accept responsibility for low-income farm families.

The matter of cheaper prices for farm machinery in other countries was discussed in a number of workshops, and it was proposed that the government should provide price lists on a regular basis to the farmer so he could buy at the best price. It was also suggested that the Income Tax Law should provide more generous allowance for machinery depreciation.

Sense of the conference

Prime Minister Pierre E. Trudeau addressed the Congress and congratulated the participants on their search for "solutions to the very real problem of agriculture in a modern industrial society." He stressed that government paternalism was not the answer. He mentioned that government alone could not find a completely satisfactory solution to farm problems, then added, "Even if we did, we could not impose them on the farmers."

A summary report of the Congress was issued at the end of the 4-day program. The introduction to this report stresses that it is a "compilation of some of the opinions of the delegates as expressed in workshops." It also points out that "because of the diversity of the group representing various backgrounds and ideologies it would be difficult in such a short time to expect them to come to agreement on many long-range goals for Canadian agriculture."

From the reports of the discussion groups, the general rapporteurs for the Congress selected the following 11 briefly stated goals for Canadian agriculture.

- To have Canadian agricultural products as competitive as possible on the Canadian market.
- To have separately designed programs for commercial and low-income farmers.
- To have producers actively involved in setting goals, with an active voice in decision-making in concerns that affect them.
- To have a realistic technique for price forecasting and marketing prediction.
- To have more market research, without forgetting about the importance of production research.
- To have all levels of agriculture involved in policy-making decisions.
- To have programs and policies that prevent transferring problems in agriculture from one commodity group to another.
- To have an adequate promotion program for the sale of agricultural products.
- To have an adequate system of communicating market information to producers.
- To have a system of credit geared to the specific needs of agriculture.
- To have an improved net farm income commensurate with the producer's contribution to the national economy.

As could be expected, there was diversity of opinion among delegates as to how to achieve the goals. There did appear, however, to be considerable support for national marketing boards and for an increased role for producer organizations in farm policy decision-making. On the question of competition facing Canadian farmers from products grown in other countries with lower labor costs and high government subsidies, there was general support for pricing Canadian farm products as competitively as possible.

Delegates agreed that regional disparities exist in farm income, but many cautioned against removing regional disparities which would only cause new problems.

The conference generally concluded that there should be separate (but coordinated) programs for commercial and for low-income farmers. For the latter group, short-term development programs which would require large amounts of labor and yield rapid results were suggested.

The problem of Provincial versus Federal jurisdiction was evident in consideration of the role of government. However, there were calls for integration of Federal Government departments to prevent conflict among policies affecting farmers, auditing of government programs by nongovernment agencies, and a 50-percent representation of farm representatives on government consultative bodies.

In closing the Congress, Minister of Agriculture H. A. Olson commended the participants for their participation and assured them their views would be considered by government. He commended the work of the Task Force, but cautioned delegates that "The Task Force cannot and must not be regarded as an agency of Government." He mentioned that there was a difference between consultation and final decision and that the Government could not delegate its responsibility. "The sentiment I've picked up is that you [the Congress] would like us to reject the paternalistic view that government can do all things for agriculture," he concluded.

Ontario Turnip Council Formed

More than 90 percent of the producers and shippers of Ontario turnips have joined forces to form the Ontario Turnip Council, according to a recent announcement of Ontario Minister of Agriculture and Food William A. Stewart. Formation of this council to promote the greater use of turnips coincides with the policy of the Ontario Department of Agriculture and Food to encourage the development of domestic and export markets for all Ontario farm produce.

Incorporation of the council is now underway, and a contribution by direct deduction of 2 cents per 50-pound container to establish a promotion fund has been agreed on. Annual turnip production in Ontario is about 5 million bushels of which approximately 1.75 million bushels are exported to the United States. —Dispatch from ALFRED R. PERSI

Assistant U.S. Agricultural Attaché, Ottawa

Potatoes—A Promising Food Crop in India

By JAMES H. BOULWARE
U.S. Agricultural Attaché, New Delhi

Potato production in India has more than doubled during the past decade, rising from less than 2 million metric tons annually to over 4 million tons. This phenomenal increase has by and large remained unnoticed, perhaps because of the preoccupation with the more spectacular and sensational reports of severe foodgrain shortages in one part of the country or the other during much of the time.

A further substantial increase in potato production in the coming years is promised by new high-yielding varieties of potatoes and cultural and storage improvements.

Storage limits production

Traditionally, grains have provided the bulk of the low-cost calories in India as in other warm countries. Potatoes, so important in temperate climes, remained insignificant even though the dry cool winters of north and central India provided excellent growing conditions, and abundant labor helped make the crop attractive.

This cool season is followed almost immediately by the hot Indian summer when maximum daily temperatures climb rapidly to 110° F. or higher from late April to early July. Without refrigeration, potato spoilage was excessive and the production was limited to the amount usable a few weeks after harvest.

Until very recently, electricity and thus refrigeration was not available in rural India.

Refrigerated storage for potatoes and other vegetables and fruit became feasible with the extension of electricity and the supply of adequate power to many towns and villages in the Indo-Gangetic Plain. This alluvial plain with good friable soil extends like an inverted Y from the Punjab region in north India and north Pakistan to Karachi, Pakistan, and

Potato harvest scenes on plains of north India. (Top photo courtesy Indian Council of Agricultural Research, New Delhi.)

Calcutta, India. Current refrigerated storage capacity in India concentrated in the Gangetic Plain is estimated at 1.2 million tons; at least 85 percent is used for potatoes.

First refrigerated storages for potatoes were built by entrepreneurs who were quick to note the disparity between March (harvest) and June and July prices of potatoes. In most years this disparity was as much as 100 percent.

The success of these early storage efforts attracted attention. Now, dozens of new storages dot the landscape from the Pakistan border to central Uttar Pradesh. This expansion of storage construction roughly conincided with agronomic developments in potato production and two severe drought years that dramatically focused attention on food.

In 1966 and 1967 the Central and State Governments pub-

licized the need for food production. They assisted in the distribution of seed, including that for potatoes. The marketability of potatoes was enhanced by grain shortages.

Potato-seed improvement

Mosaic virus, a seedborne disease transmitted by insects, has been a serious pest in India, as it is in all producing areas where climate permits substantial activity of aphids or other sucking insects. Over the years seed grown on the plains, where aphids are active much of the year, became progressively more infected with mosaic virus. Use of this seed resulted in poor yields.

Until a few years ago, the consensus was that seed must be purchased from aphid-free hill districts at frequent intervals. Part of the domestic needs were met from imports. Even so, quality frequently was indifferent to poor.

Fortunately, efforts of Indian scientists to improve seed recently began to show results. The Central Potato Research Institute at Simla and its field stations in the hills produced reasonably good foundation seed. However, before quantities adequate for needs of the plains growers could be attained, it was necessary for this seed to be grown by uneducated farmers with limited resources.

A few years ago a research scientist at the potato station at Babugarh, near Hapur in Uttar Pradesh, found that planting about mid-October and removing the vines in mid-January resulted in growth during periods of low aphid activity and excellent virus control. The result was much better seed.

This development has caused the hill farmers to temporarily lose some of their better markets for seed and, reportedly, has worsened their economic condition. In the long term, however, improved production on the plains should benefit hill growers who probably still should be able to produce higher quality seed that can the plains.

The rapid increase in potato production over the past 10 years has naturally resulted in price fluctuations that sometimes discourage growers. Nonetheless, with year-round availability approaching and yields moving rapidly upward, prospects are that this food will assume an important role in north India.

INDIA: POTATO AREA AND PRODUCTION

Year	Area	Yield per acre	Production
	1,000 acres	*Pounds*	*1,000 metric tons*
1948-49 to 1952-53, 5-year average	585	6,206	1,647
1952-53 to 1957-58, 5-year average	697	5,886	1,861
1958-59	835	6,195	2,348
1959-60	894	6,746	2,733
1960-61	927	6,460	2,719
1961-62	902	5,974	2,447
1962-63	1,020	7,275	3,365
1958-59 to 1962-63, 5-year average	916	6,530	2,722
1963-64	1,025	5,578	2,593
1964-65	1,065	7,584	3,668
1965-66	1,186	7,540	4,060
1966-67	1,169	6,636	3,522
1967-68	1,245	7,496	4,233
1963-64 to 1967-68, 5-year average	1,138	6,967	3,615

Source: Ministry of Food and Agriculture, Government of India.

British Report Calls for Textile Tariff Protection

The British cotton and allied textile industry needs tariff protection against imports from Commonwealth countries if it is to become competitive by the mid-1970's. This is the major conclusion contained in the British Textile Council's *Cotton and Allied Textiles, a report on present performance and future prospects*, publicly released March 31, 1969. The 200-page report, which was instituted at the request of the Board of Trade almost 3 years ago and cost about $240,000 to prepare, will form the background against which the United Kingdom Government will determine the future policy for its domestic textile industry.

In support of the recommendation for tariff protection, the report shows that in 1968 U.K. imports of cotton fabrics, made-up goods, and apparel amounted to about 1 billion square yards, or about 53 percent of U.K. domestic consumption. Of these, imports from developing countries accounted for 40 percent of consumption. And within this total, imports from Commonwealth sources (chiefly Hong Kong, India, and Pakistan), entering free of duty, were about 31 percent of consumption. By way of comparison, the report points out that imports of cotton textiles by the European Economic Community and the United States represent about 10 percent of their domesic consumption.

The imposition of a tariff on cotton textiles would represent a basic change in British trade policy toward Commonwealth cotton textiles since duty-free status was established by the Ottawa Agreement of 1932. The report notes that tariffs on textile imports from the United Kingdom are imposed by other Commonwealth countries.

The report recommends that the Government do away with the existing textile quota arrangements, due to expire at the end of 1970, and substitute a 15-percent tariff on Commonwealth cotton textiles. Simultaneously, there would be improved safeguards against dumping and against a disruptive rise in imports while the industry is adjusting itself to reliance on tariff protection alone.

The 15-percent tariff is derived from a comparison of Hong Kong and British costs. The Hong Kong costs for producing gray fabric are, according to the report, 25 to 30 percent lower than British costs. This disparity should be narrowed to about 17 percent in 5 or 6 years if British productivity goals are reached. Allowing for freight and handling charges, a tariff of about 15 percent is deemed to be reasonable protection for efficient British textile firms.

Objections to the tariff proposal have reportedly already been made by Hong Kong, India, and Pakistan—the major exporters concerned. But the apparent alternative—tighter quotas—would also create difficulty. The Board of Trade is expected to confer with the British industry about the details of the report during the coming months. Decisions on the major issue of the tariff are not expected before the end of the summer.

The report is available from the Textile Council, Royal Exchange, Manchester, England. Price, 45 shillings ($5.40).

—By GEORGE H. WHITE
Assistant U.S. Agricultural Attaché, London

First adjustment since 1967

Home Market Price Increases for Major Danish Products

On March 12, Denmark's Monopoly Board approved increases in the home market prices of butter, beef, veal, pork, poultry, and eggs that will grant agriculture an additional revenue of between $US8 million and $8.6 million per year. The increases became effective on March 14 for butter and March 17 for the other products.

Danish farm organizations had requested price increases for products covered by the home market schemes that would bring in an extra $13.3 million a year. Accordingly, the Agricultural Council—supported by the Farmers Union, the Smallholder Associations, and the Dairy Associations—decided to appeal the new increases to the Monopoly Appeal Board.

Price increases agreed to by the Monopoly Board were about 2 cents per pound for butter and almost half a cent per pound for beef, veal, pork, poultry, and eggs. With the increases, the minimum wholesale prices per pound for these products are now about: butter, 63 cents; pork, 35 cents; beef and veal, 35 cents; poultry, 30 cents; and eggs, 29 cents. The butter price increase resulted in a 2-percent rise in the retail price of milk as of March 28.

Home market prices for farm products had not been adjusted since June 1967. For the March 1968 to March 1969 period, the government, as part of its price stabilization policy, entered into an agreement with agriculture whereby: The home market prices for butter, beef, veal, pork, poultry, and eggs would not be increased; instead a direct Treasury compensation payment to agriculture of some $16.6 million a year would be granted; of this, $3.3 million was set aside as support to young farmers and the remainder earmarked for distribution through the Agricultural Disposal Fund.

The government determined not to extend this agreement beyond March 1, 1969. Therefore, the farm organizations presented documentation to the Monopoly Board to justify immediate price increases based on additional costs incurred since the 1967 price revision.

Total revenue accruing to agriculture from home market schemes during 1967-68 was about $98.4 million. With the additional Treasury compensation of $16.6 million in 1968-69, agricultural revenue from these schemes will reach about $115 million. In 1969-70, this revenue will be reduced unless the Agricultural Council's appeal is upheld.

The home market price schemes for pork, beef and veal, poultry, and eggs, which were enacted by the legislature, have been in effect since October 1, 1962. They provide for the levying of fees to be paid by domestic consumers that correspond to the difference between the producer portion of the export price (the nationwide price quotations to producers on exports) and the home market price approved by the Monopoly Board.

Since 1961, a similar scheme applicable to dairy products—with butter the determining product—has been privately administered under voluntary agreement of dairy associations.

The home market levy is not paid if the farmer obtains an export price equivalent to or higher than the approved home market price. He is, however, guaranteed at least the same price from sales on the home market as for export sales.

The total revenue of $98.4 million that agriculture received from these schemes in 1967-68 was distributed as follows: dairy products, $40.6 million; beef and veal, $5.3 million; pork, $32.6 million; poultry, $5.3 million; and eggs $14.6 million.

Negotiations regarding the scope and distribution of direct state support to agriculture are being carried out now between the farm organizations and the government.

—Based on dispatch from ARTHUR M. ROLLEFSON
U.S. Agricultural Attaché, Copenhagen

Philippine Coconut on Uptrend

Present outlook for Philippine coconut production is for a significant increase in 1969 and a very substantial upward trend for the next decade or more.

A production of 1,425,000 long tons of copra is currently forecast for 1969; this would be 5 percent more than in 1968, 1 percent above 1967, but 14 percent less than the record 1966 outturn. New trees coming into production and recovery from 1967 typhoon damage will account for the gain, which at the same time will be limited by past dry weather. The short rainfall conditions that have prevailed in some areas for 2 years or more became more general and acute in late 1968 and early 1969.

Copra exports are expected to approach 700,000 long tons in 1969, up about 8.5 percent from 1968. Coconut oil exports probably will rise only moderately over 1968.

As for the longer term outlook, official estimates show an 85-percent increase in area planted to coconuts over the past 10 years; most of these trees are only just starting to come into production. Plantings were further stepped up in response to high prices last year, and now the government has launched a major coconut-planting program; this Philippine Development Bank program calls for $48.6 million in financing during the next 15 years. In addition to giving funding assistance to this planting program, the U.S. AID program is aiding in the development of a process to produce coconut flour economically and in the establishment of a coconut research institute.

During the latter part of 1968, Philippine copra production made an impressive recovery, boosting the estimated total for the year to 1,360,000 long tons. Early official and trade forecasts had placed the 1968 crop as low as 1,200,000 tons because of heavy typhoon damage in 1967.

Copra exports in 1968 are estimated at 653,675 tons, down 13 percent from 1967. About 45 percent of the exports went to the United States and 46 percent went to Europe.

Coconut oil exports in 1968 are estimated at about 266,000 long tons, down 16 percent from 1967; the United States absorbed 85 percent. Exports of copra cake and meal totaled 184,000 tons, up 2 percent from 1967.

Authorized imports of copra to the Philippines were made for the first time in early 1968 when 7,500 tons of Indonesian copra was brought in in exchange for 10,000 tons of rice and was milled by government-controlled mills. No additional registered imports are expected in the near future.

—Based on dispatch from FRED W. TRAEGER
U.S. Agricultural Attaché, Manila

The Kedah Peak forms an impressive backdrop to rice paddy in northern Malaysia.

Malaysia Inaugurates National Rice Year Campaign

Malaysia's Deputy Prime Minister Tun Abdul Razak bin Hussein on March 1 launched the Malaysian National Rice Year Campaign and announced the opening of a $2.8-million irrigation headwork. This latter project—in the rice-bowl area of the northern mainland—will enable some 60,000 acres to be double cropped.

Goals of campaign

The Malaysian Rice Year Campaign seeks to consolidate official efforts toward reducing rice imports and foresees Malaysia some day reaching self-sufficiency in rice. It is timed toward completion of the giant Muda Irrigation project in northwest Malaysia and designed to help:

- Make rice production one of the country's top three industries;
- Create public interest in increasing rice production;
- Stress the importance of conservation at all stages of production; and
- Increase mechanization of the industry.

The growing viability of the rice industry should contribute considerably toward Malaysian farm programs since rice is both the population's staple food and a key international commodity. Also, expansion could lead to establishment of allied industries, which, in turn, would provide additional avenues for employment of young Malaysians.

At present, Malaysia—producing some 750,000 long tons of milled rice yearly—is about 60-percent self-sufficient in rice. It has approximately 1.2 million acres in this product; 70 percent is in West Malaysia, where wet rice predominates, and 30 percent is in East Malaysia under slash and burn cultivation. Consequently, per acre yield is far the highest in western Malaysia.

Substantial headway has been made in West Malaysia's rice cultivation through all known ways of boosting output—especially double cropping—as well as through better tenure terms for former landless farmers and improved distribution and marketing. These measures have been reflected in higher per acre yield from an area that has expanded little. In the future, this trend will continue in West Malaysia (where double cropping is expected to rise from the present 220,000 acres to 550,000), while gains in East Malaysia probably will be achieved through more extensive cultivation. The completion of the huge Muda and the Kemubu irrigation projects in 1970-71 will enable some 330,000 more acres of rice land to be double-cropped in West Malaysia. Also, the feasibilities of growing rice in East Malaysia's low-lying areas, approximately 450,000 acres, are now under investigation.

Obstacles to advancement

There are, of course, obstacles to Malaysia's ambitious plans, with human factors being the most important ones. In the case of more intensive farming, every aspect of rice farming will have to be revolutionized and geared to a tight schedule. Moreover, existing facilities for transportation, drying, storage, distribution, and marketing of grain will have to be vastly reorganized, improved, and increased.

Regarding more extensive cultivation, farmers will have to be encouraged to take on additional work, and more people will have to be trained in rice cultivation.

Conscious of the problems that will arise in creating the Muda irrigation infrastructure, the Malaysian Government has set up an advisory committee—later probably to be replaced by a Muda irrigation authority—which has representatives from all departments associated with the rice industry. This is to insure that the project is put to efficient use.

Supervisors are being trained to see that planting is carried out on schedule and that approved cultural practices are used. Farmers can now double crop in Muda pilot projects and receive financial assistance through a loan fund.

These extensive preparations for the Muda project augur well for the future. If farmers cooperate closely with the irrigation authorities, Malaysia should produce an additional 250,000 to 300,000 long tons of milled rice from this and the Kemubu irrigation projects alone.

Such an increase would greatly enhance prospects for Malaysia's reaching self-sufficiency in rice in the not-too-distant future. —Based on dispatch from DALE K. VINING
U.S. Agricultural Attaché, Kuala Lumpur

Turkey Stresses Fruit, Vegetable Exports

By MUSTAFA BASER
Office of U.S. Agricultural Attaché, Ankara

In an attempt to increase its holdings of hard currencies, Turkey is working to expand some of its minor exports, including fresh fruits and vegetables.

In 1967, these products accounted for only 1.5 percent of the $523 million earned in the export market and were dwarfed by such mainstays as cotton, tobacco, filberts, raisins, dried figs, and oilseed cakes. But despite their small share of the market, fresh fruit and vegetable exports have come a long way from levels of recent years and hold promise for future expansion.

The second 5-year Development Plan (1968-72) sees that expansion resulting in at least a 33-percent gain on 1967 and an export value of around $10.4 million by 1972. Citrus, grapes, and peaches are to account for all the increase; vegetable production and quality cannot yet meet importers' standards or competition from other exporters. Thus, the Plan concentrates on the promotion of fresh fruits and on preparing for trial vegetable exports.

Fruits' past performances

The greatest success so far has been in sales of citrus products. In 1967, these exports earned about $6.5 million, or over 3½ times the level of just 3 years earlier. The expansion came as a result of acceptance of standard grading and should continue as promotion and quality are improved and transportation and marketing problems are ironed out.

Between 1948 and 1967, both orange and lemon exports increased sharply—oranges from 700 tons to 12,000 and lemons from about 70 tons to 20,000. And in 1962, a new citrus export appeared: Satsuma tangerines. These seedless tangerines can be shipped in late October and have no competition in Europe for at least 5 weeks—an advantage that helped Satsuma exports rise almost fivefold in 6 years' time to the 1968 level of $2.7 million.

To date, East European and Middle Eastern countries have absorbed nearly all of Turkey's orange exports, while West Germany and Austria have taken 90 percent of the tangerines. Germany also receives nearly 40 percent of exported lemons, while the USSR, East Germany, Hungary, and Romania take most of the rest.

Table grapes follow citrus in importance as a foreign exchange earner. However, grapes are more perishable than citrus and require more experience and know-how in packing and marketing. Consequently, their exports have not developed as well as citrus. In 1967, such exports totaled 8,035 tons valued at $858,600, compared with 5,012 tons at $483,800 in 1964. Nearly all went to Austria, the United Kingdom, and West Germany.

Peaches are the only other fruit with potential export importance; however, sales have yet to get off the ground. In 1964, 2,046 tons of peaches valued at $194,300 were exported. But sales plummeted to 597 and 40 tons, respectively, in the next 2 years and only recovered partially—to 1,790 tons valued at $162,500—in 1967.

Goals of the second plan

Expansion in sales of these and other products will be possible if production increases as planned. The second 5-Year Plan, for instance, foresees total citrus output—mainly oranges and tangerines—rising from 545,000 tons in 1967 to 611,000 in 1972. This gain is expected to result from increased acreage and, more importantly, the application of better agricultural techniques. Substantial increases are also seen for apple and peach production.

Grape output is expected to rise 13 percent, from 3.2 million tons in 1967 to 3.6 million in 1972, with the increase achieved through intensified fertilizer application and better

Below, trucks wait their turn to haul Turkish citrus to Europe. Lower right, girls pick tangerines, which are later (above) graded and packed for shipment to foreign markets.

care and protection techniques. The basic goal is to produce good-quality early- and late-season grapes that are acceptable to European consumers.

Total vegetable production is projected to rise from 4 million tons in 1967 to 5.3 million in 1972 as acreage and yields expand.

The anticipated gains for fruits and vegetables would bring supply well above domestic demand, leaving substantial amounts for export, either in fresh or preserved form. And exports could grow even more than projected in the plan, especially since its figure for exports in 1967 ($6.2 million) was about $1.5 million below the actual level of shipments that year.

The extent of any additional gain, however, depends on success in overcoming the several problems now handicapping fruit and vegetable trade.

One of these is the quality problem, arising in part because fresh fruits and vegetables are produced under a wide variety of conditions—from kitchen gardens to specialized commercial ventures—and, in part, because quality requirements of the foreign customers are usually not taken into consideration. The typical Turkish farmer, even if he produces good yield and quality, does not benefit from these because of outmoded methods by which his products are picked, handled, packed, transported, stored, and processed. The large number of people who handle a given product add to the quality problem—and also reduce ultimate returns to the farmer; in some cases, there are five to eight middlemen—each taking a certain amount of profit.

Closely related is the lack of standardization. At the present, there are some half dozen large packinghouses in Turkey's fruit and vegetable areas. However, most of these do not operate at full capacity because exporters prefer to grade and pack their own goods, either in gardens or in small warehouses. For example, there are 12 Satsuma exporters in Izmir, nine of whom have their own packing and grading facilities. Most of such exporters have not yet realized the importance of attractive packaging and labeling in gaining foreign customers.

Another need is for a central marketing institution, including a marketing news service. The Turkish Standards Institute, Chambers of Commerce, and other agencies work closely in the marketing field, but because each agency operates under its own regulations, implementation of decisions is a big problem.

Transportation, storage, and credit lacking

Compared with Italy, Greece, Spain, Bulgaria, and Yugoslavia, Turkey is far from the European market and does not have adequate transportation facilities for exports of fresh fruits and vegetables.

Sea transport is, of course, cheaper than trucks or railway, but many ships are not refrigerated. Further, shiploads of produce push market prices down so the amount of shipments must be based on demand.

Air transport has not been attractive because of the high cost. Nevertheless, air cargo could be used to move certain exotic products, such as strawberries and some vegetables, in off seasons.

Transport of fresh fruits and vegetables by truck has been tried with success. However, Turkey until recently was not a member of the Transit International Route (TIR) and had no refrigerated trucks. Such shipping was handled by Yugoslavian, Bulgarian, and East German trucks at a cost of $55 to $60 per ton. Now, Turkey is a member of TIR and is importing 140 refrigerated trucks from West Germany. The next problem is making optimum use of the trucks—a goal which will be aided by the increasing import of goods from Germany.

Another handicap is the lack of storage facilities and the resultant high level of waste. Except for tangerines, Turkish fruit has no seasonal advantage over that of competitors; the country, therefore, needs to build cold storage facilities so that it can regulate sales year round.

Although the Turkish Government allocates large sums of money to the Agricultural Bank for increased fruit and vegetable production, there is practically no government credit available for marketing a product. This is a problem both for the grower and for his creditor because only by the sale of produce can the grower repay his loan.

This does not mean that exporters have no sources of credit; banks extend credit, but at a high rate of interest, amounting to about 14 percent. Thus, the exporter's capital costs increased.

Measures taken to achieve goals

Adequate promotion efforts have been lacking in foreign markets, partly because of scant awareness in Turkey of the need for and nature of market promotion. The prevailing notion has been that buyers will buy if they want to. The government has, however, had a promotion program for 10 years, and the IGEME (Export Promotion and Research Center) has been a nucleus of this program for 7 years.

A lack of funds and necessary skills has handicapped the promotion programs in foreign countries. IGEME has, however, achieved some success in preparing fresh fruit and vegetable producers for the demands of exporting. At the same time, it has sought out new markets for and made trial shipments of fruits.

In 1967, another export promotion office, the Investment and Export Promotion and Encouragement Bureau, was established. This agency operates under the supervision of the State Planning Organization of the Prime Ministry.

The government, through the Export Promotion Bureau, has imported refrigerated trucks, duty free, for the fresh fruit and vegetable trade and has established a $1.1-million fund in convertible currency to be used for promotional activities overseas.

It has also established special funds to provide fresh fruit and vegetable exporters short- and medium-term credit at low interest rates. These funds are to come from the importers' guarantee deposits for nonagricultural items. (The deposits are used by the government to discourage imports. They are made by importers when applying for a foreign exchange allocation and amount to 20 to 150 percent of value, depending on the type of item to be purchased.)

In addition to financial aids, the government is encouraging producers to join cooperatives. Cooperatives have already been set up in the fruit and vegetable producing belts of Turkey, but participation has not been total by any means. Also, a special effort is being made to form corporations or societies that include both producers and exporters of fresh fruits and vegetables.

If these and other efforts to overcome marketing problems prove successful, fresh fruit and vegetable exports could possibly bring over $20 million into Turkey each year.

U.S. Retains Share of British Market for Farm Goods

By MOLLIE A. CHURCH
Foreign Regional Analysis Division
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The United States held its own in the U.K. market for agricultural goods in 1968. Its share was about the same as in 1967—8 percent. The United Kingdom imported U.S. agricultural commodities worth approximately US$425 million in 1968.

Because of the devaluation of the British pound in November 1967, the precise value change between 1967 and 1968 imports is difficult to determine. However, available data suggest that total agricultural imports by Britain were about the same in 1968 as in 1967.

The three leaders among U.S. agricultural exports to the United Kingdom in 1968 were tobacco, corn, and fruit and vegetables. Britain's major agricultural imports in 1968, from all sources, were, in order of importance: meat and meat products; fruit and vegetables; grain, natural fibers; dairy products and eggs; coffee, tea, cocoa, and spices; and tobacco.

Purchases of some U.S. commodities in 1968 differed considerably from 1967 levels. U.K. imports of tobacco, corn, hides and skins, and oilseeds from the United States increased during 1968; but imports of U.S. wheat, fruit and vegetables, miscellaneous food preparations (mostly lard), and cotton declined.

Gains in U.S. sales

Imports of U.S. unmanufactured tobacco increased by almost a fourth during 1968 and accounted for about two-thirds of the rise in Britain's total unmanufactured tobacco imports, which were 17 percent greater in 1968 than in 1967. Supplies of unmanufactured U.S. tobacco in Britain in 1968 were about 75,000 metric tons and were the highest, according to trade statistics, since 1960.

U.K. imports of corn from the United States totalled almost 2 million metric tons in 1968 and were up 8 percent from 1967. The U.S. share of the British market climbed from 47 percent in 1967 to 50 percent in 1968. Traditional competitors in the U.K. corn market are South Africa, France, Romania, and Argentina; British imports from South Africa rose in 1968, but those from France, Romania, and Argentina dropped sharply.

British imports of U.S. soybeans in 1968 increased although total U.K. imports of soybeans, as well as of all other oilseeds, oilnuts, and oil kernels, declined. The U.S. share of Britain's soybean imports stepped up from 39 percent in 1967 to 43 percent in 1968.

Imports of U.S. hides and skins rose sharply from 6,000 metric tons in 1967 to about 10,000 tons in 1968. Goods from the United States accounted for a third of the gain in U.K. hide-and-skin imports in 1968.

U.S. sales losses

The biggest drop in U.K. imports of agricultural commodities from the United States was in wheat. Imports for 1968 were 156,000 metric tons—about one-third the 1967 quantity. This fall reduced the U.S. share of the British wheat market from almost 11 percent to less than 4 percent. One possible explanation is that some U.S. wheat shipments to Britain in 1968 were routed via the Netherlands—a transshipment point for many agricultural commodities—and were not counted as U.S. commodities. Another explanation is that Britain is increasing its wheat imports from France and some other countries.

Britain's fruit and vegetable purchases from the United States skidded from 175,000 metric tons in 1967 to 138,000 tons in 1968—a drop of about 20 percent. After the 1967 devaluations, fresh fruits and vegetables from Spain and Israel (whose currencies followed the lead of the British pound) had a price advantage over U.S. goods. Australia and South Africa captured more of the canned fruit and vegetable market when they held their prices down to pre-devaluation levels, a move which exporters from the United States omitted to copy.

U.K. imports of miscellaneous food preparations (mostly

(Continued on page 12)

UNITED KINGDOM'S IMPORTS OF AGRICULTURAL COMMODITIES, 1966-68

Commodity	1966			1967			1968		
	Total	From United States	United States share	Total	From United States	United States share	Total	From United States	United States share
	1,000 metric tons	*1,000 metric tons*	*Percent*	*1,000 metric tons*	*1,000 metric tons*	*Percent*	*1,000 metric tons*	*1,000 metric tons*	*Percent*
Meat and meat preparations	1,353.5	26.2	1.9	1,394.2	23.7	1.7	1,399.7	28.5	2.0
Grain	8,486.9	3,099.1	36.5	8,491.1	2,347.2	27.6	8,348.9	2,188.6	26.2
Wheat	4,269.8	611.8	14.3	3,928.4	448.6	11.4	4,177.0	155.9	3.7
Corn	3,290.9	2,242.9	68.1	3,721.9	1,801.6	48.4	3,773.1	1,948.6	51.6
Fruits and vegetables	3,415.1	186.9	5.5	3,513.1	174.6	5.0	3,586.7	138.2	3.9
Tobacco	118.5	60.0	50.6	127.2	60.3	47.4	149.0	74.7	50.1
Hides and skins	72.7	8.8	12.1	63.1	6.1	9.7	[1] 75.1	[1] 10.1	13.4
Oilseeds, oilnuts, and oil kernels	832.4	146.1	17.6	701.6	105.2	15.0	680.2	112.2	16.5
Soybeans	286.2	138.8	48.5	252.8	97.8	38.7	242.0	[1] 104.7	43.3
Cotton	253.1	42.4	16.8	205.0	34.9	17.0	231.3	[1] 26.8	11.6

[1] Preliminary.

Farmers, prices, and city workers—

Evaluation of Japan's White Paper on Agriculture

Japan's Agricultural White Paper for fiscal 1968 (April 1, 1968 to March 31, 1969), made public recently, has drawn some controversial appraisals, particularly in the areas of farm income and land laws. The following quotation is from an editorial in the March 14 Japan *Times*.

"The 8th Report, covering 1968, paints an unprecedentedly bright picture of Japan's agricultural economy, bolstered by two bumper rice crops in 1967 and 1968. Japan's over-all ratio of self-sufficiency in foods rose from 80 percent in 1967 to 83 percent in 1968. In particular, the ratio for rice rose to 115 percent."

The newspaper also said the 1968 White Paper was unprecedented in reporting that for the first time the average annual income of Japanese farming households exceeded that of urban wage-earning families. (On a per capita basis, however, farm households because of their size are still somewhat behind urban households.—Ed.)

The Japanese government tries to equalize farm incomes with those of urban workers through high rice supports. This policy objective has just about been reached.

High cost of support

Japan's consumers and urban taxpayers have paid dearly for the accomplishment, however. The 1968 rice support of $13.88 per cwt. of rough rice is nearly three times the U.S. support level. About one-third of the entire budget (about $835 million) of Japan's Ministry of Agriculture and Forestry will be used to finance the price support program for rice in JFY 1968. High support prices for rice and other farm commodities combined with various agricultural import restrictions have resulted in retail food prices in Japan being among the highest in the world.

As a result of the very high rice support price, Japan now has heavy surplus stocks of rice. The government is trying to hold the line on further increases in price for 1969, but the farm "bloc" is expected to exert considerable influence in this decision.

In 1969 the government will make 2 billion yen available for rice diversion payments at a rate of 200,000 yen per hectare (about $225 per acre). This rate of payment would be about one-half the normally expected gross income from rice production, but would retire only 10,000 hectares from production. The fund, although not large, marks the first time diversion payments will have been made in Japan. In the future, increased emphasis is expected to be placed on the incentive and diversion payment system.

Critics of the White Paper also feel that revisions need to be made in the country's antiquated land laws. A bill is up for legislative consideration that would make sweeping changes in the laws. Proposals included in the bill would

- make it easier for landowners to break leases with tenants. Currently the prefectural governor's office must give permission for a landlord to evict a tenant. Under the proposed amendment the local courts would mediate disputes between landlord and tenant.
- authorize private negotiation of the rental between landlord and tenant up to a maximum level established by the local agricultural committee for the general area in which the land parcel is located. Under the present land law, the local agricultural committee—10 to 40 elected members and several local cooperative leaders—establishes the rental.
- authorize absentee ownership—now prohibited altogether—of up to 1 hectare in all prefectures other than Hokkaido and 4 hectares in Hokkaido.
- abolish the farmland ownership limitation when a farmer and his family reside on the farm and are engaged full time in farming. Under the present land law, ownership of more than 12 hectares in Hokkaido and 3 hectares in other prefectures must be approved by the local agricultural committee.

Reaction to proposals

The Japanese government recognizes that little can be done to influence farmers to sell their land to others as long as land ownership continues as a hedge against inflation and job insecurity. Any changes in rental procedures or increase in size of allowed holdings could serve to increase efficiency in the agricultural sector.

The new proposed amendments to the land law are sure to be controversial, but they are likely to be looked upon more favorably by the nonrural population because of the current surplus rice situation in the face of ever-increasing consumer food prices.

—Based on dispatch from ELMER W. HALLOWELL
U.S. Agricultural Attaché, Tokyo

(Continued from page 11)

lard) from the United States fell 30 percent from 1967 to 1968. Subsidized exports from EC countries, principally Belgium, undermined U.S. sales. The United States has now instituted its own subsidies for lard exports, and the 1968 situation may be reversed in the 1969 British market.

The U.S. share of Britain's cotton market declined from 17 percent in 1967 to about 12 percent in 1968—or from 35,000 metric tons to 27,000 tons. U.S. cotton suitable for export was scarce in 1968.

Analysis and a look ahead

During 1968 the United Kingdom increased the duty on imports of unmanufactured tobacco more than 15 percent and invoked its right to apply levies to imports of grain. Despite these actions, U.S. goods retained their share of Britain's agricultural import market.

Those U.S. goods that slipped on the British market were chiefly those that were unable to compete with heavily subsidized products originating within EC countries (grain and lard) or with commodities shipped from countries benefiting from the 1967 devaluations (fruits and vegetables).

However, some recent actions taken by the United Kingdom, particularly the upward revision of targets for domestic agricultural output by 1972-73 in order to improve Britain's balance of payments, could hinder future U.S. sales. Commodities most apt to be affected by the revised agricultural targets are grain, variety meats, and lard.

CROPS AND MARKETS SHORTS

Weekly Report on Rotterdam Grain Prices

Current prices for imported grain at Rotterdam in the Netherlands, with comparisons to one week earlier and one year ago, are as follows:

Item	April 8	Change from last week	A year ago
	Dol. per bu.	*Cents per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 2 Manitoba	1.93	0	2.03
USSR SKS-14	1.87	−1	1.92
Australia Prime Hard	1.86	+1	(1)
U.S. No. 2 Dark Northern Spring: 14 percent	1.88	0	1.93
15 percent	1.91	−1	1.95
U.S No 2 Hard Winter 14 percent	1.87	0	1.84
Argentina	1.80	0	1.90
U.S. No. 2 Soft Red Winter	1.68	−1	1.66
Feedgrains:			
U.S. No. 3 Yellow	1.38	+2	1.34
Argentine Plate	1.40	+2	1.46
U.S. No. 2 Sorghum	1.35	−3	1.44
Argentine-Granifero	1.17	0	1.35

Note: All quoted c.i.f. Rotterdam for 30- to 60-day delivery.
[1] Not quoted.

Libyan Tobacco Production

All phases of the Tobacco Industry in Libya are controlled by the Tobacco Monopoly. Tobacco production in Libya in 1968 was about 3.4 million pounds, up slightly from the previous year but less than the 1966 crop. Some reduction in planting areas resulted from a shortage of labor. Current production consists of a variety of types, including the equivalent of burley, Maryland, and Virginia, representing over one-half of total production in 1968. There is only limited production of flue-cured leaf, although some experiments are in progress. Burley production was increased significantly in 1968 whereas oriental and native leaf were down. The 1969 area is expected to increase some with production probably reaching 3.5 million pounds.

Domestic production accounts for 60-75 percent of the tobacco utilized by the industry. The remainder is imported, with the United States currently the major supplier. Libya also imports significant quantities of cigarettes, cigars, and pipe tobacco, although imports in relation to domestic manufacture are gradually declining.

LIBYA'S TOBACCO PRODUCTION

Variety	1966	1967	1968
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
Burley	1,065	871	1,687
Maryland	104	49	71
Virginia	110	176	282
Oriental	701	423	126
Native	1,598	1,405	1,240
Total	3,578	2,924	3,406

U.K. Imports of Flue-Cured Leaf

Following the United Nations sanctions against Rhodesian trade in December 1966, flue-cured leaf replacements in the United Kingdom have come mostly from increased takings from Commonwealth areas, other than Rhodesia, and from the United States. During 1968 of a total 285 million pounds stocks withdrawals of flue-cured leaf, about 147 million pounds or 51 percent were U.S. leaf, and 138 million pounds were stocks from Commonwealth areas. During 1965 total usings were about equal to the current rate, but Commonwealth areas supplied about 163 million pounds or nearly 57 percent of the total. U.S. leaf totaled 121 million pounds, representing about 43 percent.

Stocks of Rhodesian flue-cured tobacco held by the trade in the United Kingdom continue to shrink. At the end of December 1968 only 13.3 million pounds remained in stock compared to 37 million on the same date a year ago and about 152 million pounds at the end of 1965. During 1968 a total of 23.7 million pounds was used ranging from about 1 million to 3 million pounds each month. Rhodesian leaf stocks are currently equal to about 8-month usings at the rate of use in the last 3 months of 1968.

U.S. flue-cured stocks at the end of 1968 in the United Kingdom totaled 224 million pounds.

U.K. FLUE-CURED TOBACCO USED FOR MANUFACTURE

Year	Total	From U.S.	From Commonwealth	U.S. share
	Million pounds	*Million pounds*	*Million pounds*	*Percent*
1960	302.1	153.5	148.6	50.8
1961	302.8	150.4	152.4	49.7
1962	292.2	142.7	149.5	48.8
1963	297.5	144.4	153.1	48.5
1964	293.6	136.3	157.3	46.4
1965	283.6	121.1	162.5	42.7
1966	287.1	122.8	164.3	42.8
1967	288.0	135.0	153.0	46.9
1968	285.3	146.7	138.5	51.4

U.K. STOCKS OF RHODESIAN FLUE-CURED

	Withdrawals from bond				Stocks at end of month			
	Mil. lb.	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*
Month	1965	1966	1967	1968	1965	1966	1967	1968
January	7.3	8.0	5.4	3.0	143.5	155.6	80.3	34.2
February	7.6	6.9	4.7	2.6	138.8	149.1	75.1	31.5
March	9.4	8.0	5.0	2.5	129.9	141.3	70.4	29.0
April	6.1	7.4	4.1	2.0	124.8	134.5	66.3	26.4
May	7.1	6.6	4.2	2.0	120.8	128.9	62.0	25.0
June	7.3	7.0	4.3	1.6	122.5	120.8	57.7	23.4
July	7.6	6.2	3.7	1.7	129.8	114.6	54.0	21.6
August	7.5	6.3	3.7	1.9	132.8	108.1	50.4	19.7
September	7.7	6.1	3.5	1.7	140.6	105.4	46.8	17.9
October	7.9	5.9	3.7	1.9	145.7	96.1	43.1	16.1
November	8.3	5.7	3.2	1.6	153.4	90.5	39.7	14.5
December	7.4	4.5	2.7	1.2	152.5	85.7	37.0	13.3
Total	91.2	78.6	48.2	23.7	—	—	—	—

Tobacco Intelligence, London.

Ontario, Canada, Flue-Cured Tobacco

Marketing of the 1968 crop ended March 26, 1969, with total poundage of Ontario flue-cured tobacco sold and prices up over the previous year. Total sales of 200.4 million pounds brought an average of U.S. 65.7 cents for the 1968 crop compared to 195.9 million pounds and an average U.S. 63.9 cents for the previous crop. Reports from the Tobacco Growers Marketing Board indicate that the market was the smoothest ever experienced. This year's crop was good quality and provided the largest amount of sales ever made to the buyers in the United Kingdom.

West German Canned Pear Tenders

The West German Government has announced a tender allowing the importation of canned pears from the United States and other countries. Applications for import licenses will be accepted until an undisclosed value limit is reached, but not later than September 25, 1969. Import licenses issued will be valid until September 30, 1969. Pears must be packed in containers holding less than 9.9 pounds each, and products containing added sugar are subject to the EC sugar-added regulation described in the Foreign Agriculture Circular, FCAN 2-68 of October 1968.

U.S. Exports of Soybeans, Oils, Meals

U.S. exports of soybeans in February totaled only 11.4 million bushels, compared with 18.4 million in February 1968. Exports were down because of the longshoremen's strike, which remained in effect at East Coast and Gulf ports until the latter part of the month. Most of the soybeans shipped in February were destined for the European Community, Japan, and Spain. Exports during September-February totaled 147.7 million bushels.

Although exports of soybean oil were not hampered by the strike, only 20.0 million pounds were exported in February, compared with 84.3 million in the previous year. Most of the oil was shipped to countries participating in Public Law 480 programs, with exports to Tunisia of 13.4 million pounds representing 67 percent of the total. Cumulative exports during October-February declined to 338.1 million pounds—down 55.5 million from the preceding year.

Exports of cottonseed oil, however, increased to 29.7 million pounds compared with only 2.0 million in February of 1968 when U.S. supplies were short. The 13.0 million pounds moving to West Germany and the 8.5 million to the Netherlands accounted for most of the gain. Formerly, both countries were major markets for U.S. cottonseed oil.

Soybean meal exports fell to 100,700 tons during the strike-bound month of February, less than half the quantity shipped a year earlier. Nearly two-thirds of the soybean meal was exported to Canada and one-third to the European Community. During October-February exports totaled 957,900 tons, a decrease of 25 percent from the 1.28 million tons exported in same months of the previous year.

Exports of all cakes and meals during 5 months of the marketing year totaled 1.02 million tons compared with 1.37 million a year ago. While most of the decline was in exports of soybean meal, linseed meal exports also fell 55 percent below last year's total.

U.S. EXPORTS OF SOYBEANS, EDIBLE OILS, AND OILCAKES AND MEALS

Item and country of destination	Unit	February 1968 [1]	February 1969 [1]	Sept.-Feb. 67-68 [1]	Sept.-Feb. 68-69 [1]
SOYBEANS					
Belgium-Luxembourg	Mil. bu.	0.3	0.7	4.6	5.0
France	do.	([2])	0	.4	.2
Germany, West	do.	2.8	.6	19.4	16.6
Italy	do.	1.1	1.1	9.7	10.4
Netherlands	do.	1.7	1.9	24.4	23.9
Total EC	do.	5.9	4.3	58.5	56.1
Japan	do.	6.0	4.0	35.9	32.3
Canada	do.	.1	.1	11.8	19.1
Spain	do.	2.2	2.2	14.7	15.8
China, Taiwan	do.	1.4	.8	5.1	7.8
Denmark	do.	.5	0	9.1	6.6
United Kingdom	do.	([2])	0	3.4	2.6
Others	do.	2.7	0	9.3	7.4
Total	do.	18.8	11.4	147.8	147.7
Oil equivalent	Mil. lb.	206.9	125.6	1,623.1	1,621.8
Meal equivalent	1,000 tons	442.7	268.8	3,473.9	3,471.2
		February		Oct.-Feb.	
EDIBLE OILS		1968 [1]	1969 [1]	1967-68 [1]	1968-69 [1]
Soybean: [3]					
India	Mil. lb.	2.8	.5	111.5	112.5
Pakistan	do.	41.9	0	79.1	89.6
Morocco	do.	9.2	0	11.5	21.7
Chile	do.	([4])	0	1.3	14.1
Tunisia	do.	1.8	13.4	37.7	13.9
Israel	do.	.8	([4])	20.1	12.1
Canada	do.	2.2	1.7	10.5	11.6
Haiti	do.	1.2	1.9	6.5	7.9
Peru	do.	([4])	0	2.6	7.0
Vietnam, South	do.	7.7	0	17.7	6.3
Ecuador	do.	([4])	([4])	2.7	4.6
Others	do.	16.7	2.5	92.4	36.8
Total	do.	84.3	20.0	393.6	338.1
Cottonseed: [3]					
Venezuela	do.	0	5.4	14.4	31.4
Germany, West	do.	0	13.0	.4	13.0
Netherlands	do.	0	8.5	.5	10.0
Canada	do.	.9	1.0	3.7	4.9
Others	do.	1.1	1.8	2.6	3.0
Total	do.	2.0	29.7	21.6	62.3
Total oils	do.	86.3	49.7	415.2	400.4
CAKES AND MEALS					
Soybean:					
Belgium-Luxembourg	1,000 tons	27.3	0	148.2	55.4
France	do.	37.3	13.3	206.2	136.6
Germany, West	do.	32.0	.1	243.4	193.1
Italy	do.	17.6	17.9	40.6	80.1
Netherlands	do.	48.7	2.2	238.5	143.3
Total EC	do.	162.9	33.5	876.9	608.5
Canada	do.	18.2	66.4	95.8	145.2
Yugoslavia	do.	11.0	0	35.8	39.8
Poland	do.	10.9	0	35.1	34.0
Spain	do.	([5])	.1	.3	31.5
United Kingdom	do.	10.1	([5])	49.3	19.1
Switzerland	do.	.5	0	2.3	12.4
Ireland	do.	5.1	0	15.5	10.9
Denmark	do.	8.5	0	46.4	10.9
Others	do.	22.9	.8	126.6	45.6
Total	do.	250.1	100.7	1,284.0	957.9
Cottonseed	do.	.1	.4	1.2	1.9
Linseed	do.	3.3	.1	67.4	30.1
Total cakes and meals [6]	do.	260.3	105.9	1,374.8	1,019.6

[1] Preliminary. [2] Less than 50,000 bu. [3] Includes shipments under P.L. 480 as reported by Census. [4] Less than 50,000 lb. [5] Less than 50 tons. [6] Includes peanut cake and meal and small quantities of other cakes and meals.

U.S. Trade in Livestock and Meat

Primarily because of the dock strike both U.S. exports and imports of livestock and meat products were below year-earlier levels for the first 2 months of 1969.

Virtually all categories of U.S. livestock and meat product imports were substantially below year-earlier levels during January-February 1969.

U.S. EXPORTS OF SELECTED LIVESTOCK PRODUCTS

Commodity	February		Jan.-Feb.	
	1968	1969	1968	1969
	1,000	*1,000*	*1,000*	*1,000*
Animal fats:	*pounds*	*pounds*	*pounds*	*pounds*
Lard	26,743	14,046	33,836	25,768
Tallow and greases:				
Inedible	218,069	128,734	369,551	239,067
Edible	798	414	1,251	1,936
Meats:				
Beef and veal	2,287	1,883	4,852	3,950
Pork	2,755	15,433	5,918	28,763
Lamb and mutton	132	221	259	335
Sausages:				
Canned	150	75	270	120
Except canned	212	262	431	428
Meat specialties:				
Canned	110	103	224	144
Frozen	278	149	405	293
Other canned	786	994	1,522	1,766
Total red meats [1]	6,709	19,121	13,873	35,799
Variety meats	16,423	7,379	36,660	12,612
Sausage casings:				
Hog	445	455	1,002	647
Other natural	191	133	366	251
Mohair	664	174	1,200	280
Hides and skins:				
Cattle parts	2,496	2,151	5,140	4,046
	1,000	*1,000*	*1,000*	*1,000*
	pieces	*pieces*	*pieces*	*pieces*
Cattle	985	898	1,980	1,869
Calf	175	68	346	125
Kip	35	31	72	54
Sheep and lamb	305	301	549	461
Horse	6	3	9	7
Goat and kid	7	6	15	8
	Number	*Number*	*Number*	*Number*
Live cattle	3,719	4,048	7,834	6,298

[1] May not add due to rounding.
U.S. Department of Commerce, Bureau of the Census.

U.S. imports of fresh and chilled bone-in beef totaled 2.1 million pounds for the first 2 months of 1969, up from 1.6 million pounds in 1968. However, imports of boneless beef—the major category of U.S. beef imports—were down 49.3 million pounds from 134.3 million pounds during the first 2 months of 1968. As a result, total U.S. beef and veal imports for the 2-month period were down 33 percent compared to 1968 and total red meat imports were down 38 percent. Imports of live cattle, primarily from Mexico and Canada, were up 37 percent for the first 2 months of 1969.

With the exception of total red meats—principally pork—all categories of U.S. livestock and meat product exports were below year-earlier levels for January-February 1969. Total red meat exports increased from 13.9 to 35.8 million pounds due to a 22.8-million-pound increase in January-February pork exports compared to the first 2 months of 1968. Lard exports were 25.8 million pounds in January-February 1969, down from 33.8 million pounds in the first 2 months of 1968. Exports to the United Kingdom, the major U.S. market, are subsidized under the Lard Export Payment Program. Although January-February exports of live cattle were below the year-earlier level, February exports were up almost 9 percent.

U.S. IMPORTS OF SELECTED LIVESTOCK PRODUCTS

Commodity	February		Jan.-Feb.	
	1968	1969	1968	1969
Red meats:				
Beef and veal:				
Fresh and frozen:	*1,000*	*1,000*	*1,000*	*1,000*
Bone-in beef:	*pounds*	*pounds*	*pounds*	*pounds*
Frozen	156	669	1,054	949
Fresh and chilled	1,075	1,288	1,648	2,085
Boneless beef	63,214	45,202	134,270	85,013
Cuts (prepared)	161	104	197	234
Veal	1,322	1,035	3,644	1,833
Canned beef:				
Corned	6,972	5,463	14,464	12,102
Other, incl. sausage	1,128	638	2,903	1,769
Prepared and preserved	5,367	5,597	10,066	7,873
Total beef and veal [1]	79,396	60,000	168,243	111,859
Pork:				
Fresh and frozen	3,839	3,056	8,271	6,785
Canned:				
Hams and shoulders	18,779	16,310	37,010	21,708
Other	3,670	1,544	7,744	2,303
Cured:				
Hams and shoulders	100	93	188	159
Other	456	261	765	502
Sausage	169	184	369	281
Total pork [1]	27,010	21,449	54,347	31,736
Mutton and goat	6,868	2,229	12,748	2,460
Lamb	649	1,088	1,912	1,753
Other sausage	687	514	1,162	691
Other meats, n.s.p.f.	1,148	378	2,843	838
Total red meats [1]	115,759	85,659	241,258	149,336
Variety meats	166	143	854	384
Wool (clean basis):				
Dutiable	14,530	6,530	26,194	14,366
Duty-free	8,975	2,657	21,320	5,723
Total wool [1]	23,503	9,187	47,515	20,088
	1,000	*1,000*	*1,000*	*1,000*
Hides and skins:	*pieces*	*pieces*	*pieces*	*pieces*
Cattle	26	26	50	53
Calf	76	27	100	27
Kip	17	20	42	57
Buffalo	58	59	100	61
Sheep and lamb	3,414	617	5,657	1,097
Goat and kid	734	180	1,350	248
Horse	30	8	72	15
Pig	77	29	152	71
	Number	*Number*	*Number*	*Number*
Live cattle [2]	56,558	83,352	125,423	172,251

[1] May not add due to rounding. [2] Includes cattle for breeding.
U.S. Department of Commerce, Bureau of the Census.

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Top Wheat Exporters Review Grains Arrangement

Representatives of the five major wheat exporters—Argentina, Australia, Canada, the European Community, and the United States—met in Washington, D.C., on April 3 and 4 to review the operation of the International Grains Arrangement (IGA). This was another of a series of informal meetings aimed at maintaining market stability and international cooperation in wheat matters.

The country representatives reviewed the situation in the wheat market. They noted that a significant reduction in wheat acreage in some exporting countries is already taking place and that some other exporters are currently developing policies to reduce acreage. These trends and policies were seen as desirable and appropriate in the current situation of large exportable supplies and lower import demand.

Because of the current world market situation, particular attention was given to the pricing provisions of the IGA. A number of specific problems were identified, which to date have inhibited the IGA's full implementation. Ways and means of resolving these difficulties were explored, and it was agreed that the necessary adjustments would be made collectively and individually by the exporting countries to overcome them and to foster the effective operation of the Arrangement. It was also agreed that there would be continuing close consultation among exporters and with the importers who are IGA members.

Delegates to the meeting reaffirmed their countries' support of the IGA as the basic instrument of international cooperation in world wheat trade and their intention to strengthen world prices and to improve cooperation in implementing price provisions of the Arrangement.

The positive and constructive results of this meeting are to be reported to the next meeting of the Prices Review Committee of the IGA, where both importing and exporting countries are represented.

The International Grains Arrangement went into force on July 1 of last year, replacing the 18-year-old International Wheat Agreement. The IGA now has 39 members and is to run for 3 years. Features of the Arrangement include a Wheat Trade Convention and a Food Aid Convention. The first section provides for minimum and maximum prices above those in the old Agreement and for increased price stability. The second section provides for a greater food aid effort, by members, with shared responsibility for shipping some 4.5 million tons of wheat and other food grains to developing countries each year.

Iceland Seeks EFTA Ties

The European Free Trade Association (EFTA) has announced that it has received an application for membership from the Government of Iceland. The application was formerly placed before an EFTA ministerial meeting in Vienna in late 1968. Now negotiations of the terms of Iceland's admission to EFTA are underway. Final action on the application is expected late in 1969. Countries that are already EFTA members are Austria, Denmark, Norway, Portugal, Sweden, Switzerland, and the United Kingdom. Finland is an associate member.

On terms for admission, the Icelandic Government has presented the following requests: Prompt admission to the duty-free EFTA market, which applies chiefly to manufactured goods; a 10-year period for Iceland to eliminate protective tariffs; freer trade in fish and fish products within EFTA, particularly for Icelandic frozen fish fillets sold to the United Kingdom; opportunities for developing export industries in Iceland; improved possibilities for exporting mutton to Scandinavian countries; and exemption of Icelandic-Soviet Union trade items from EFTA arrangements to safeguard current trading agreements.

At present Iceland is heavily dependent on the fishing industry to provide both employment for its population and export revenues. About 90 percent of all exports are fish or fish products. For the past few years, however, fish trade has deteriorated and export prices have sharply declined. The EC Common Fishery Policy, which may soon be implemented, could further reduce Iceland's sales to EC countries, particularly to West Germany, which is now an important customer.

Iceland would like to diversify its economy. EFTA tariff regulations on nonagricultural goods could help industrial growth in Iceland by encouraging investment in such enterprises as manufacturing aluminum and fertilizer, processing fish, and installing hydroelectric facilities.

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